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BANK OF MONTREAL
143rd ANNUAL REPORT

for the year ended October 31, 1960

Canada's First Bank at Home...



Canada's oldest bank embarks upon its 144th year in Canada's newest and most modern bank building, continuing in the tradition of growth and expansion that has marked the passage of the nation's senior financial institution through Canadian history. From one small office opened in Montreal on November 3rd, 1817, has grown the vast financial network of 830 branches illustrated on the map overleaf. Today, from sea to sea — from the Great Lakes to the barren Arctic — Canada's First Bank brings to communities large and small the full resources of a three-billion dollar organization backed by the experience gained through working with Canadians in every walk of life for nearly a century and a half.



BANK OF MONTREAL

CANADA'S FIRST BANK

143rd Annual Report

Annual General Meeting

December 5th, 1960, at the

Head Office in Montreal



Canada and Canada's First Bank

BANK OF MONTREAL

WORKING WITH CANADIANS THROUGH 830 BRANCHES COAST-TO-COAST

San Francisco

"MY BANK"
TO 2 MILLION CANADIANS
B of M

LEGEND

- Number of Branches in Province
- Number of Branches in Principal Cities
- Location of Branches
- Offices in the U.S.A.

*For the Bank's organization abroad
please turn to back cover of report*

HUDSON
BAY

LABRADOR

QUEBEC 156

St. John's 4

NEWFOUNDLAND 19

TARIO 302

PRINCE
EDWARD
ISLAND

NEW
BRUNSWICK

NOVA SCOTIA 25

Quebec 9

Montreal 25

Ottawa 10

Fredericton 1

Saint John 3

Halifax 6

Toronto 69

Hamilton 16

London 11

Chicago

Windsor

New York

ATLANTIC
OCEAN



In its 143rd year

YOUR BANK...

increased its total assets by \$226 million to a new record figure of \$3,485,471,000 . . .

enlarged its total deposits to the highest year-end figure in the Bank's history—\$3,200,419,000 . . .

welcomed 126,000 personal and business depositors, bringing the total number to 2,816,000 . . .

reported a 27% increase in earnings to a record high of \$31,579,000, out of which provision was made for taxes of \$17,352,000 . . .

provided \$12,148,000 for dividends to shareholders at the rate of \$2.00 per share, compared with \$1.85 in 1959 . . .

maintained total loans at an all-time peak of \$1,773 million . . .

opened 32 new offices in Canada, to bring total branch representation, at home and abroad, to 842 . . .

continued to assist in the expansion of the Bank of London & Montreal Limited, which increased its branch organization in the Caribbean by five offices during the year, to a total of 25.

Board of Directors



*Chairman of the Board: *ARTHUR C. JENSEN*

*President and Chief Executive Officer: *G. ARNOLD HART*

Vice-Presidents

***J. A. MACAULAY, Q.C., Winnipeg**
*Partner, Messrs. Aikins, MacAulay,
Moffat, Dickson, Hinch & McGavin*

***R. G. IVEY, Q.C., London, Ont.**
Partner, Messrs. Ivey, Livermore & Dowler

***HAROLD S. FOLEY, Vancouver**
*Vice-Chairman of the Board, MacMillan,
Bloedel and Powell River Ltd.*

R. D. MULHOLLAND, Montreal
General Manager, Bank of Montreal

G. BLAIR GORDON, Montreal
President, Dominion Textile Company Limited

ROBERT A. LAIDLAW, Toronto
Director, R. Laidlaw Lumber Co. Ltd.

J. V. R. PORTEOUS, Montreal
President, Greenshields, Hodgson, Racine, Ltd.

R. C. BERKINSHAW, C.B.E., LL.D., Toronto
*Chairman of the Board, Goodyear Tire &
Rubber Co. of Canada Ltd.*

HENRY G. BIRKS, Montreal
President, Henry Birks & Sons Ltd.

R. E. STAVERT, Montreal
*Chairman, The Consolidated Mining &
Smelting Company of Canada, Limited*

***GEORGE W. BOURKE, Montreal**
President, Sun Life Assurance Company of Canada

NOAH A. TIMMINS, JR., Montreal
President, Timmins Investments Limited

**COL. THE HON. CLARENCE WALLACE, C.B.E.,
Vancouver**
President, Burrard Dry Dock Co. Ltd.

***THE HON. HARTLAND DEM. MOLSON, O.B.E.,
Montreal**
President, Molson's Brewery Limited

***H. GREVILLE SMITH, C.B.E., Montreal**
*Chairman of the Board, British Newfoundland
Corporation Limited*

***R. E. POWELL, Montreal**
Industrialist

H. G. HILTON, Hamilton
*Chairman of the Board, The Steel Company of
Canada Limited*

W. A. ARBUCKLE, Montreal
*Chairman of the Canadian Board, The Standard
Life Assurance Company*

T. W. EADIE, Montreal
President, The Bell Telephone Co. of Canada

HENRY S. WINGATE, New York
*Chairman, The International Nickel Company of
Canada, Limited*

N. R. CRUMP, Montreal
President, Canadian Pacific Railway Company

H. ROY CRABTREE, Montreal
*Chairman and President, Woods Manufacturing
Company Limited*

RALPH B. BRENNAN, Saint John, N.B.
*President and Managing Director, G. E. Barbour
Company, Limited*

***THE RT. HON. CLARENCE D. HOWE, P.C.,
Montreal**
*Chairman of the Board, Price Brothers & Company,
Limited*

H. C. F. MOCKRIDGE, Q.C., Toronto
Partner, Messrs. Osler, Hoskin & Harcourt

JACK PEMBROKE, C.B.E., Montreal
President, The Royal Trust Company

PAUL BIENVENU, Montreal
President, Catelli Food Products Ltd.

D. R. McMASTER, Q.C., Montreal
*Partner, Messrs. Holden, Hutchison, Cliff,
McMaster, Meighen & Minnion*

KENNETH J. MORRISON, O.B.E., F.C.A., Calgary
Partner, Messrs. Clarkson, Gordon & Co.

DAVID G. McCONNELL, Montreal
Vice-President, St. Lawrence Sugar Refineries Limited

**SIR NUTCOMBE HUME, K.B.E., M.C.,
London, England**
Chairman, Charterhouse Investment Trust Ltd.

G. H. SHEPPARD, Toronto
President, International Business Machines Co., Ltd.

LUCIEN G. ROLLAND, Montreal
President and General Manager, Rolland Paper Co., Ltd.

A. SEARLE LEACH, Winnipeg
President, Searle Grain Co. Ltd.

**Member Executive Committee*

CAPITAL: \$60,750,000

REST & UNDIVIDED PROFITS: \$143,000,859

RESOURCES: \$3,485,471,333

143rd Year of Canada's First Bank

Reporting new high figures for deposits and assets, the Bank of Montreal revealed record earnings for the past year at its 143rd Annual General Meeting of Shareholders, held at the Head Office on Monday, December 5th.

On the motion of Mr. J. A. MacAulay, Q.C., Mr. A. C. Jensen was requested to take the chair.

Mr. H. Greville Smith, C.B.E., moved, seconded by Mr. Jack Pembroke, C.B.E.,

that Mr. Q. C. D. Bovey and Mr. J. B. O'Connor, Q.C., be appointed to act as scrutineers, and that Mr. C. W. Harris be Secretary of the Meeting. This was unanimously carried.

The Chairman then called upon the Secretary to read the Report of the Directors to the Shareholders and, following the distribution of the Annual Statement to the Meeting, to read the Auditors' Report.

Attendance at the Meeting



Shareholders present were: W. A. Arbuckle, J. Aime Barnabe, Arthur Barry, L. J. Belnap, R. C. Berkinshaw, C.B.E.; Paul Bienvenu, Roland Binette, Brig. K. G. Blackader, C.B.E.; G. T. Bogert, J. C. Bonar, Max Borkowitz, George W. Bourke, Q. C. D. Bovey, Paul Breault, R. B. Brennan, J. G. Brierley, Q.C.; J. H. Brodeur, G. E. Brown, Hon. C. J. Burchell, P.C., Q.C.; Mrs. Juliette Burnett, Norman M. Campbell, Col. E. G. M. Cape, Rodolphe Casgrain, T. Caverhill, J. N. Cayouette, F. D. Chapman, Armand Chevalier, A. H. Christensen, Ross Clarkson, E. H. Cliff, Q.C.; J. F. Close, Max Cohen, J. N. Cole, F. W. Collins, G. Leon Cote, Hugh Cowie, H. Roy Crabtree, N. R. Crump, G. S. Currie, C.A.; Mrs. G. S. Currie, John H. Davey, The Baroness Erminie de Mengden, Jacques Desaulniers, Q.C.; S. G. Dixon, Q.C.; Guy Drummond, T. W. Eadie, Col. Irwin H. Eakin, O.B.E.; W. R. Eakin, W. J. H. Ellwood, Eric B. Finley, M.C.; Harold S. Foley, R. Forget, H. C. Fortier, Alfred E. Francis, Mrs. G. M. Barbara Freeman, B. C. Gardner, M.C.; L. P. Gelinas, Rosario Genest, Q.C.; J. M. German, David Gibb, G. Blair Gordon, John Graham, G. H. Greening, Mrs. Gordon Guess, Mrs. R. Hadjizade, James W. Halls, Robert C. Hannan, D. A. Hanson, Lord Hardinge, G. Arnold Hart, G. E. Hervey, H. G. Hilton, The Rt. Hon. C. D. Howe, P.C.; J. Stanley Hughes, Sir Nutcombe Hume, K.B.E., M.C.; Lt.-Col. P. P. Hutchison, Q.C.; R. G. Ivey, Q.C.; R. P. Jellett, A. C. Jensen, C. P. Keeley, R. J. Keep, G. M. Kelly, Eric Kippen, David Kirsch, R. E. Knight, R. G. G. Lafferty, J. Ernest Laforce, Jos. Lagace, Robert A. Laidlaw, W.

Antonio Lapalme, A. Lavalee, A. Searle Leach, C. W. Leach, C.A.; B. Lechartier, C. S. Le Mesurier, R. Maurice Lemieux, A. J. Livinson, Mrs. Rosa Loeb, Maurice Loeb, John A. MacAulay, Q.C.; Angus MacCormick, Dr. D. O. Macdonald, H. C. MacDougall, David G. McConnell, M. J. McCrory, W. L. McGannon, F. W. McHattie, D. R. McMaster, Q.C.; Ross H. McMaster, A. O. McMurtry, Andre Martin, Q.C.; J. Masson, N. L. C. Mather, A. I. Matheson, J. Matson, J. A. Mattihson, T. R. Meighen, Q.C.; H. C. F. Mockridge, Q.C.; The Hon. Hartland deM. Molson, O.B.E.; R. D. Mulholland, S. C. Norsworthy, D.S.O., M.C.; J. B. O'Connor, Q.C.; Lt.-Col. Gavin L. Ogilvie, Miss Alice O'Heir, Col. C. Alex Parker, R. Panet-Raymond, F. W. Pearson, J. Pembroke, C.B.E.; J. V. R. Porteous, R. E. Powell, R. J. Prettie, Mrs. W. A. Ralston, H. H. Rath, P. B. Reid, Bernard B. Richmond, R. H. Robinson, P. J. Rodriguez, Lucien G. Rolland, Russell C. Ronalds, H. Percival Ross, Trevor D. Ross, John F. Roy, Mrs. H. L. Rutherford, G. Saintonge, C.R.; R. L. Scott, A. Shuve, Dr. Alexander Sieben, Marshall C. Small, V. Barry Smith, H. Greville Smith, C.B.E.; M. Spitzer, R. E. Stavert, R. C. Stevenson, O.B.E., C.A.; R. H. Stevenson, William A. Stewart, J. B. Stirling, Col. Garnet M. Strong, Frank C. Sutton, Franklin J. Tait, Noah A. Timmins, Jr.; Mrs. L. S. Tobin, Edgar F. Tolhurst, Alfred Tourigny, Q.C.; C. R. Trenholme, Mrs. Elsie M. Tudhope, Col. The Hon. Clarence Wallace, C.B.E.; C. Gordon Wallace, C.A.; G. W. M. Webb, J. A. Weldon, G. T. Westwater, Brig. G. V. Whitehead, Mrs. H. V. R. Williams.

Directors' Report



The directors take pleasure in submitting to the shareholders the 143rd Annual Report on the result of the Bank's operations for the year ended 31st October, 1960.

Statement of Undivided Profits

Earnings for the year after making transfers to inner reserves, out of which full provision for diminution in the value of investments and loans has been made, and after provision for depreciation of bank premises.	\$31,578,780
Provision for income taxes.	17,352,044
Balance available for distribution.	\$14,226,736
Dividends at the rate of \$1.75 per share.	\$10,629,417
Extra dividend at the rate of 25¢ per share.	1,518,750
	<u>12,148,167</u>
Amount carried forward.	\$ 2,078,569
Undivided profits brought forward from 31st October, 1959.	1,072,290
	<u>\$ 3,150,859</u>
Transferred to Rest account.	2,000,000
Undivided profits 31st October, 1960.	<u>\$ 1,150,859</u>

(Signed) G. ARNOLD HART,
President.

(Signed) R. D. MULHOLLAND,
General Manager.

In May, Sir Nutcombe Hume, K.B.E., M.C., and Mr. G. Harry Sheppard were appointed directors of the Bank and, in September, Mr. Lucien G. Rolland was appointed a director.

Within the financial year thirty-eight offices were opened in Canada and six were closed. In addition, the new Head Office building was officially opened on 3rd December, 1960.

In keeping with customary practice, all the offices of the Bank, including the Head Office, have been inspected during the year by competent officers.

The directors record their deep appreciation of the continued loyalty shown by all members of the staff and for the capable manner in which they have discharged their duties during the past year.

(Signed) G. ARNOLD HART,
President.

Bank of Montreal, 5th December, 1960.



General Statement

Assets

	1960	1959
Gold and coin.....	\$ 5,596,191	\$ 5,844,174
Notes of and deposits with Bank of Canada.....	204,699,396	234,622,800
Government and bank notes other than Canadian.....	\$ 4,919,336	\$ 4,412,861
Deposits with other banks	185,982,274	57,136,117
Cheques and other items in transit, net.....	203,864,128	197,816,881
Government of Canada direct and guaranteed securities, at amortized value....	705,822,075	620,653,575
Canadian provincial government direct and guaranteed securities, at amortized value.....	59,687,780	59,937,758
Other securities, not exceeding market value	217,746,344	205,646,327
Day-to-day, call and short loans to investment dealers and brokers, secured....	182,892,200	192,284,785
	<u>1,560,914,137</u>	<u>1,337,888,304</u>
	\$1,771,209,724	\$1,578,355,278
Other current loans, less provision for estimated loss.....	\$1,351,440,796	\$1,352,733,764
Mortgages and hypothecs insured under the National Housing Act, 1954....	237,802,692	227,153,276
Non-current loans, less provision for estimated loss.....	476,968	453,315
	<u>1,589,720,456</u>	<u>1,580,340,355</u>
Bank premises at cost, less amounts written off.....	55,661,047	47,009,972
Shares of and loans to corporations controlled by the bank	7,465,893	7,465,893
Customers' liability under acceptances, guarantees and letters of credit, as per contra.....	59,721,096	44,367,590
Other assets.....	1,693,117	2,154,484
	<u>\$3,485,471,333</u>	<u>\$3,259,693,572</u>

Comparative Statement of the Position of the Bank on October 31st, 1960, and on October 31st, 1959

Liabilities

	1960	1959
Deposits by Government of Canada	\$ 48,716,040	\$ 34,029,294
Deposits by Canadian provincial governments	32,245,086	49,879,234
Deposits by other banks	111,867,124	86,598,776
Personal savings deposits payable after notice, in Canada, in Canadian currency	1,655,909,627	1,611,707,442
Other deposits	1,351,681,446	1,215,993,262
	<u>\$3,200,419,323</u>	<u>\$2,998,208,008</u>
Acceptances, guarantees and letters of credit	59,721,096	44,367,590
Other liabilities	21,580,055	15,767,243
Capital:		
Capital authorized— 7,500,000 shares of \$10 each	<u>\$ 75,000,000</u>	
Capital paid-up— 6,075,000 shares — issued and fully paid	\$ 60,750,000	\$ 60,649,513
Reserve Account	141,850,000	139,628,928
Undivided profits	1,150,859	1,072,290
	<u>203,750,859</u>	<u>201,350,731</u>
	<u>\$3,485,471,333</u>	<u>\$3,259,693,572</u>

NOTE:

The business of the bank in San Francisco, U.S.A., is carried on by a wholly-owned subsidiary corporation whose assets and liabilities are included in the above statement.

G. ARNOLD HART,
President.

R. D. MULHOLLAND,
General Manager.

To the Shareholders of the Bank of Montreal

We have examined the above statement and compared it with the books and accounts of the Bank of Montreal at the head office and with returns certified by the branches. We have verified the investments and securities and checked the cash at the head office and certain of the principal branches of the bank at the end of the financial year. We have examined inspection reports covering all the branches operating for the year and at various dates during the year have joined with the inspectors in verifying the cash and securities at several important branches.

Montreal, November 21st, 1960.

We report that (a) we have obtained all the information and explanations which we have required, (b) in our opinion the transactions of the bank which have come under our notice have been within the powers of the bank, and (c) in our opinion the above statement presents fairly the financial position of the bank and is as shown by the books of the bank.

G. S. CURRIE, C.A.,
of the firm of McDonald, Currie & Co.

C. GORDON WALLACE, C.A.,
of the firm of Riddell, Stead, Graham & Hutchison.

Auditors.

COMPARATIVE STATEMENT OF UNDIVIDED PROFITS

FOR THE YEAR ENDED
OCTOBER 31st

	1960	1959
Earnings for the year after making transfers to inner reserves, out of which full provision for diminution in the value of investments and loans has been made, and after provision for depreciation of bank premises.....	\$ 31,578,780	\$ 24,833,660
Provision for income taxes.....	17,352,044	12,642,600
Balance available for distribution.....	\$ 14,226,736	\$ 12,191,060
Deduct:		
Dividends at the rate of \$1.75 (1960) and \$1.60 (1959) per share.....	\$ 10,629,417	\$ 9,168,492
Extra dividend at the rate of 25¢ per share.....	1,518,750	1,516,238
	<u>\$ 12,148,167</u>	<u>\$ 10,684,730</u>
Amount carried forward.....	\$ 2,078,569	\$ 1,506,330
Undivided profits brought forward from previous year.....	1,072,290	1,565,960
	<u>\$ 3,150,859</u>	<u>\$ 3,072,290</u>
Transferred to Rest Account.....	2,000,000	2,000,000
Undivided profits at end of year.....	<u>\$ 1,150,859</u>	<u>\$ 1,072,290</u>

COMPARATIVE STATEMENT OF REST ACCOUNT

FOR THE YEAR ENDED
OCTOBER 31st

	1960	1959
Balance brought forward from previous year.....	\$139,628,928	\$120,000,000
Premium received on capital stock subscriptions.....	221,072	14,628,928
Transferred from tax-paid reserves.....		3,000,000
Transferred from Undivided Profits.....	2,000,000	2,000,000
Balance at end of year.....	<u>\$141,850,000</u>	<u>\$139,628,928</u>

Controlled Corporations

BANK OF MONTREAL TRUST COMPANY

STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31st, 1959

ASSETS

U.S. Currency

Due from banks:		
Approved reserve depositaries....	\$1,419,670	
Other banks and bankers (foreign)	1,229,767	
	<u>2,649,437</u>	
Investments:		
United States government securities (Quoted market value, \$2,247,013).....	\$2,430,219	
Accrued interest.....	20,253	
	<u>2,450,472</u>	
Other assets.....	41,789	

NOTE: The charter was acquired in March, 1937, for the purpose of more satisfactorily performing certain functions in New York on behalf of the bank's clients. The capital stock, with the exception of the directors' qualifying shares, is entirely owned by the bank, and is carried in the bank's statement at a value of \$1,489,551.

\$5,141,698

LIABILITIES

U.S. Currency

Deposits:		
Trust funds.....	\$ 39	
Demand.....	2,795,465	
Time.....	7,010	
Due to banks, bankers and trust companies.....	101,389	
	<u>\$2,903,903</u>	
Income taxes.....		34,790
Other liabilities.....		8,401
Capital stock and surplus:		
Capital stock—		
Authorized, issued and fully paid — 10,000 shares of \$100 each.....	\$1,000,000	
Surplus.....	1,000,000	
Undivided profits.....	194,604	
	<u>2,194,604</u>	

\$5,141,698

HOCHELAGA REALTY AND DEVELOPMENT COMPANY

STATEMENT OF ASSETS AND LIABILITIES AS AT OCTOBER 31st, 1960

ASSETS

	U.S. Currency
Cash.....	\$ 1,594
Prepaid taxes, insurance, etc.....	49,600
Real estate, buildings and equipment (2 Wall Street, New York) less accumulated depreciation.....	7,150,653

NOTE: The company was granted corporate existence by the State of New York on May 27th, 1909. The object of its formation was to enable the bank to hold title to real estate in New York City. The capital stock and debentures are entirely owned by the bank, and are carried in the bank's statement at a value of \$5,891,221.

\$7,201,847

LIABILITIES

	U.S. Currency
Accounts payable.....	\$ 15,500
Accrued debenture interest.....	135,000
Income taxes.....	6,063
Twenty-three-year 4½% debenture bonds due May 1st, 1982. Authorized and issued.....	6,000,000
Capital stock and surplus:	
Capital stock—	
Authorized, issued and fully paid — 8,500 3% redeemable preferred shares of \$100 each.	\$ 850,000
100 common shares of \$100 each	10,000
	<u>\$ 860,000</u>
Undivided profits.....	185,284
	<u>1,045,284</u>
	<u>\$7,201,847</u>

THE ST. JAMES LAND COMPANY LIMITED

STATEMENT OF ASSETS AND LIABILITIES AS AT OCTOBER 31st, 1960

ASSETS

Cash in bank.....	\$ 12,437
Deferred expenses.....	12,748
The rights of the company in an em- placement conveyed to Insurance Exchange Corporation Limited (now Insurance Exchange Realities Ltd.), by a 99-year lease (emphy- teutic lease) and in the building thereon constructed by Insurance Exchange Corporation Limited as at January 23rd, 1923.....	\$ 200,000
Expended on the building to date...	117,205
	<u>\$ 317,205</u>
Accumulated depreciation.....	117,204
	<u>200,001</u>
Land — at cost.....	85,120
	<u>\$ 310,306</u>

LIABILITIES

Accounts payable.....	\$ 17,614
Provision for income taxes.....	2,930
Loan from Bank of Montreal.....	85,120
Capital stock and surplus:	
Capital stock—	
Authorized, issued and fully paid—	
200 shares of \$100 each.....	\$ 20,000
Capital surplus.....	180,001
	<u>\$ 200,001</u>
Undivided Profits.....	4,641
	<u>204,642</u>

NOTE: The capital stock is entirely owned by the bank, and is carried in the bank's statement at a nominal value of \$1.

\$ 310,306

Approved on behalf of the Board:
C. W. HARRIS,
R. H. FRY,
Directors.

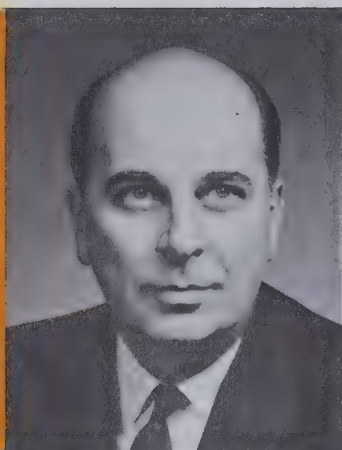
Auditors' Report

We have examined the statements of assets and liabilities of the above controlled companies as of the dates indicated and have obtained all the information and explanations we have required. Our examinations included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, the accompanying statements of assets and liabilities are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the companies as at the dates indicated according to the best of our information and the explanations given to us and as shown by the books of the companies.

G. S. CURRIE, C.A.,
C. GORDON WALLACE, C.A.,
Auditors.

Montreal, November 21st, 1960.



G. Arnold Hart

Calls for More Flexible Official Monetary Policy to Accelerate Business and Curb Unemployment

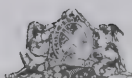
To meet the increasing competition in world trade, Canada needs a more flexible official monetary policy to accelerate business while avoiding inflation, G. Arnold Hart said in his presidential address at the Annual Meeting.

Pointing out that Canada's money supply had remained practically constant during the past two years, Mr. Hart said that, while a restrictive policy was necessary when inflationary pressures were active, such a policy might now have become "unsuited to a situation characterized by unemployed productive capacity, and, more seriously, unemployed people".

While acknowledging the value of warnings which had been issued against over-expansion of Canadian productive capacity, the President expressed the view that "so much emphasis on the dangers of over-borrowing, domestic or foreign, may also be conducive to a state of timorous apprehension in which all expansion, and all increases in indebtedness, become, as it were, suspect".

Mr. Hart pointed to the need for a definitive lead from the Bank of Canada and suggested that the financial community should be given some measure of assurance that official monetary policy, which had recently shown signs of greater flexibility, would continue in this direction as long as possible without giving rise to renewed inflationary dangers.

In concluding his remarks, the President referred to the constantly changing situations which the banks faced in their operations, and observed, "I believe we have in this organization, old in years but young in spirit, the capacity to take fullest advantage of every opportunity to expand and develop our usefulness to our customers and to the Canadian economy".



The text of the President's address follows:

The President's Address:

Mr. Chairman, Ladies and Gentlemen:

I would first like to say how pleased I am that we are able to meet this morning in our new Head Office Building, which was officially opened only two days ago by the Honourable Jean Lesage, P.C., Prime Minister of Quebec. It is noteworthy that meetings of shareholders were held on this site until 1847, when we moved to the domed building.



Since our meeting a year ago, three directors have been appointed to the Board to fill vacancies. They are Sir Nutcombe Hume, K.B.E., M.C., Mr. G. Harry Sheppard and Mr. Lucien G. Rolland. Sir Nutcombe, who is the first businessman resident in the United Kingdom appointed to our Board, is chairman of the Charterhouse Investment Trust Ltd. and numerous other companies and has wide connections in the international fields of industry and finance. Mr. Sheppard is the president of International Business Machines Co. Ltd. and in addition has other business and community interests. Mr. Rolland is president and general manager of the Rolland Paper Company Ltd., an engineer by profession and a member of many professional, trade and public service associations. These gentlemen bring a wealth of experience to our meetings and I am sure you will approve their election when their names are formally submitted to you today. You will also be asked to elect two additional directors, Mr. A. Searle Leach and my colleague, Mr. Mulholland. Mr. Leach is president of the Searle Grain Co. Ltd., Winnipeg, and has a profound knowledge of the grain trade as well as having many other interests at local and national levels. Mr. Mulholland was appointed General Manager in March 1959, a position he has filled with distinction. We shall welcome these gentlemen to our deliberations.

The Pedestrian Pace of Business

Business activity in Canada during the year now coming to a close has, in many respects, failed to bear out the optimistic predictions voiced a year ago. Thus far, the “soaring sixties” have shown little inclination to soar.

Business indicators this year have been notable more for their diversity than for any concerted upward or downward tendency. The experience of individual

enterprises has similarly been divergent; some say, and with reason, that we are again suffering a recession; others, with equal justification, say it has been a good year for their business. A general description of conditions is therefore difficult. But it can be said that the Canadian economy as a whole has this year fallen short of its productive potential and has failed to keep pace with increases in the number of those who seek a livelihood. The evidence is disquietingly apparent in the amount of surplus industrial capacity and in the number of unemployed. In such circumstances, it is hardly to be expected that there would be any general bidding up of commodity prices, and in fact, apart from typical fluctuations in foodstuffs, consumer prices have been more stable than at any time since 1955, while wholesale prices in general have been virtually unchanged throughout the past two years.

Much of what I have said about the situation in Canada is applicable also to the United States. The pedestrian pace of business on the North American continent has been in contrast to a notable degree of expansion in Western Europe.

Currents of Underlying Change



It is not surprising, therefore, that the prevailing mood of businessmen is one of introspection and hard thinking. Keener competition in both domestic and overseas markets is compelling us to appreciate that North America has inevitably been losing some of the comparative advantages it possessed during earlier postwar years—advantages of ample natural resources, undamaged physical assets, an undisrupted productive organization and freedom from currency troubles. What is more, the kind of economic stimulus that Canada and United States derived from their political federations a century and two centuries ago is now beginning to be felt in Europe and elsewhere in the forming of trading groups and the forging of economic integration. We are, or should be, realizing that economic gains are not going to be wafted down to us like manna from heaven, but must be won the hard way in an increasingly tough, competitive world.

I need not emphasize that, in achieving a resurgence of growth, the forces that confront us are deep, strong and complex and represent, I suspect, a combination of short-term and long-term influences perhaps unlike any we have faced heretofore. I shall certainly not presume to offer a prescription that would cure all our

problems of unemployment, high costs, import competition and the difficulties besetting primary and secondary industry. To do so would be to lecture other people about specific courses of action which they are in a better position to formulate in the light of first-hand knowledge.

What I have to say is deliberately confined to the field of banking and to fiscal and monetary policy as it relates to banking and also as it relates to economic conditions and prospects as I see them.

Some Implications of Government Finance

Looking back over the past twelve months, perhaps the most important change in the Canadian financial environment has been one not directly related to the banking field. I refer to the further impressive improvement in the condition of the nation's public finances. For two years now, the federal government's demands on national savings, by way of additional borrowing, have steadily diminished to the point where they can be satisfied without strain on the financial markets. The advantages of this, in providing much needed leeway in the capital markets for the requirements of provincial, municipal and corporate borrowers, can scarcely be over-emphasized.

It is only realistic to recognize, however, that a near balance in federal finances may not continue. The failure of national production, thus far, to reach the level earlier envisaged could mean a shortfall of government revenues below expectations. Moreover, the numerous measures to stimulate employment, which were intimated in the Speech from the Throne at the recent opening of Parliament and will be developed in detail in the forthcoming supplementary budget, may well require substantial additions to expenditures.

It seems to me imperative, therefore, that a lesson learned in very recent years, not altogether painlessly, should be kept prominently in mind today. The lesson is that there are definite practical limits on the extent to which government debt may be expanded in a short period of time. The facile assumption that it does not matter how much public debt is created because "we owe it to ourselves" has been proven false. We have learned that, however justified and beneficial massive governmental expenditures may be as a spur to business activity, too rapid an accompanying enlargement of debt can set in train a series of consequences that

may negate those benefits. For an overly rapid increase of debt can beget public unwillingness to absorb it, thereby compelling the monetary authorities to enable the banks to take up all or most of it, with a consequent expansion of the money supply that may be unduly large. Subsequently, in order to combat the inflationary potential of an over-expanded money supply, the central bank may not permit any further increase for some time. Unfortunately, however, such a sudden "shifting of gears" creates problems of its own. A restrictive credit policy designed to offset the consequences of excessive creation of debt can go beyond the salutary checking of a boom to become a deterrent to normal and desirable economic growth.

Monetary Policy in Changing Times



I noted at our last annual meeting that, after the money supply had been allowed to expand by \$1,600 million in twelve months to the end of October 1958, at a time when the federal government debt was enlarged by nearly as much, no further monetary expansion was permitted for a full year thereafter.

Another twelve months have since elapsed in which the Canadian money supply was again held virtually stable and in fact was, on the average, slightly smaller than in the preceding twelve months. Indeed, only since mid-September has the money supply been running significantly ahead of the level prevailing a year previously.

Last year I raised the question of how long a virtually unchanging money supply should be considered appropriate to, and sufficient for, a period of expanding business activity. I am bound to say that for most of the past year the same question has been recurring to my mind and with much greater force in the light of the rather different economic conditions and prospects that have emerged.

I realize full well that questions of when, and by how much, monetary policies should change direction involve delicate matters of timing that must be very much in the forefront of the minds of those responsible. It seems to me, however, that one thing we do not know nearly enough about is the extent to which any monetary policy, appropriate to the circumstances then existing, produces delayed reactions which continue long after the need for that particular monetary policy has passed.

It seems to have become rather fashionable lately to "play down" the im-

portance of monetary ease as a stimulus to business activity. I would be the first to agree that merely making money more abundant is no universal remedy for economic difficulties and still less so for any particular industrial problem stemming from an unfavourable position in respect of competitive costs. Moreover, the advantages, and indeed the necessity, of monetary stability under conditions of actual or incipient inflationary pressures are obvious. No responsible person with any experience in banking or monetary matters would argue that the encouragement of another round of inflation, or what would be almost as bad, the fear of another round of inflation, would do anything to solve or alleviate present economic problems. On the contrary, anything, be it in the field of monetary policy or outside it, that would tend to increase the general level of costs and prices in Canada could do nothing but harm to our competitive position in both domestic and external markets.

Yet taking account of what I have just said, I cannot but wonder whether the degree and duration of monetary rigidity experienced last year and for most of the present year has, for all of that time, been appropriate to a situation in which demand for goods was no longer pressing upon available supply and wherein general price increases have been neither present nor in prospect. It is possible, I suggest, that a policy which was necessary and inevitable when inflationary pressures were active, may have been maintained too long and may have been unsuited to a situation characterized by unemployed productive capacity, and, more seriously, unemployed people.

This brings me more directly to some of the fundamental problems of banking. Under conditions of a stable money supply banking becomes inevitably the administration of a revolving fund of available resources which do not change significantly in the aggregate. In these circumstances any sizable increase of loans in any one category must be offset by declines in other categories. In point of fact, for most of the past year this was the situation that prevailed, and a significant increase in general loans was made possible only by a reduction of loans in other directions.

It may, of course, be argued that there is no real need for further monetary expansion at the present time since the banks, in recent months, appear to have had no difficulty in meeting such demands as have existed and have had some resources left over to add modestly to their holdings of government securities. To this I would reply that in the present state of business in Canada in relation to our total productive capacity, the rather sluggish and quiescent behaviour of bank loans in the aggregate

should no longer be regarded with the satisfaction that might be justified if we were in the midst of an inflationary boom. Quite frankly, I suggest that the present level of bank loans should be regarded as indicative of a less than satisfactory level of business activity. What central bankers and commercial bankers should be worrying about now is ways and means of creating the conditions that will lead to an increase in bank borrowing rather than the reverse.

An Objective Approach to Debt

In saying this I am well aware of a number of public statements made during the past year in influential quarters, warning against over-expansion of Canadian productive capacity, misdirection of such capacity and over-borrowing, particularly for capital purposes and especially when such borrowing is done in foreign capital markets. I think it is well that these warnings have been uttered and that these matters of fundamental concern have been brought into the forefront of public discussion. But at the same time I cannot but feel that so much emphasis on the dangers of over-expansion and of over-borrowing, domestic or foreign, may also be conducive to a state of timorous apprehension in which all expansion, and all increases in indebtedness, become, as it were, suspect.

This country has attained its economic stature and living standards in no small measure by virtue of having abundant natural resources for which there are markets elsewhere, and which must be developed on a large scale and by large injections of capital, if they are to be developed at all. It is not unnatural that to some extent the necessary capital has been provided from outside our own borders by those who need the resources that are being developed. Moreover, Canada as a world trader must keep pace with the technological advances that are going on around her. I suggest that if we are to continue to develop our resources and keep abreast of innovation and modernization by our competitors, we shall do well not to be too fearful of prudent expansion and improvement, and of the financing that is entailed.

With respect particularly to our export trade, I welcome the recent announcement, by the Minister of Trade and Commerce, of the formation of a new company by the chartered banks to finance exports on credit terms up to five years, and of government support for such credits of longer term, in both cases under the Export

Credits Insurance Act. This Bank has always endeavoured to facilitate the financing of Canadian trade and we will play our full part, in co-operation with the government and the other banks, in this joint effort to promote exports, which are so vital to this country's economic well-being.

The Need for a Definitive Lead

Relating all this to the day-to-day context of banking, I think most bankers would agree that a question prominently before us at this juncture is how far we may go in responding to, or helping to develop, lending situations that may properly involve a considerable amount of financing, but under conditions wherein the banks have no indication of the extent to which the loanable resources of the banking system will be permitted to increase in the immediate future. Industry must obviously take a forward view in any decision to expand or even to increase production on the basis of existing capacity. In banking, a forward view is no less necessary and would be a good deal easier to take if the banking community had some assurance that a reasonable enlargement of the money supply and bank loans would be permitted to proceed. In saying this I am certainly not advocating run-away monetary expansion. But there is a reasonable middle ground between monetary rigidity and "free-wheeling" expansion. It would, I suggest, be conducive to a more satisfactory level of business activity and employment if the financial community had some measure of assurance that official monetary policy, which has lately shown signs of greater flexibility, will continue in this direction as long as may be possible without giving rise to renewed inflationary dangers.

The need for what might be termed a lead from the central monetary authorities is all the more apparent by reason of the curious method by which the central bank's rediscount rate is determined. In other money markets a change in the rediscount rate is rightly regarded as a matter of the highest significance. It traditionally represents a means by which the central bank indicates to the market its views as to whether credit should become more stringent or more plentiful. In Canada, by contrast, the rediscount rate, since November 1956, has been determined weekly by the expedient of adding a quarter of one percent to the average weekly tender rate



for three-month treasury bills. In other words, what in other money markets is a major monetary indicator that is changed infrequently and only in the light of official reappraisal of fundamental conditions, is in Canada like a cork that bobs around from week to week. I might depart from my prepared text at this point to note that since September 22nd last the Bank of Canada's rediscount rate based on the 91-day treasury bill rate plus .25% has risen from 1.93% to 4.20%. An increase of this magnitude might be appropriate as a measure to check an inflationary boom, if there were one to check, but scarcely seems suited to prevailing conditions. I would submit with all the force at my command that the time is now more than ripe for a reassumption by the Bank of Canada of more direct responsibility for the rediscount rate and for the forces stemming from its alteration.

The Measure of Progress

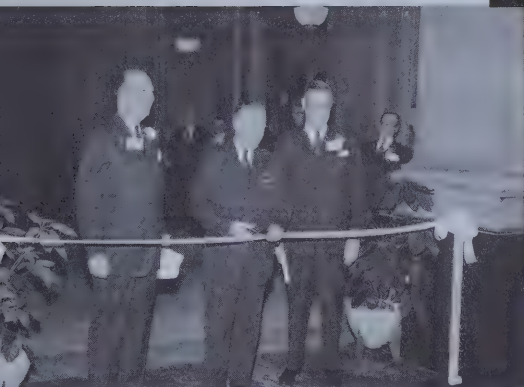
Finally, and to revert to commercial banking, the progress recorded by any bank from one year to the next is not entirely measurable, extensively, by the size of aggregate balance sheet changes. Growth, in terms of increased assets, is influenced in no small degree by national monetary policy affecting the over-all supply of money. In the year just passed the total assets of this Bank did rise by the not inconsiderable amount of \$226 million, or 7%, to reach nearly \$3½ billion. But the year was also one of progress, measured intensively, in terms of the usefulness with which our lending resources were employed and the quality and scope of our service to the public. I say this in no spirit of complacency. Banking these days is a complex, competitive and often frustrating business. About the only thing one can expect is the unexpected — that with the passage of time new situations will arise and will test our capacity to adapt ourselves to them. To meet these changes in a manner that will maintain the confidence of our depositors, our borrowing customers and our shareholders is our constant endeavour. I believe we have in this organization, old in years but young in spirit, the capacity to take fullest advantage of every opportunity to expand and develop our usefulness to our customers and to the Canadian economy.



BANKING HISTORY

RE-MADE...

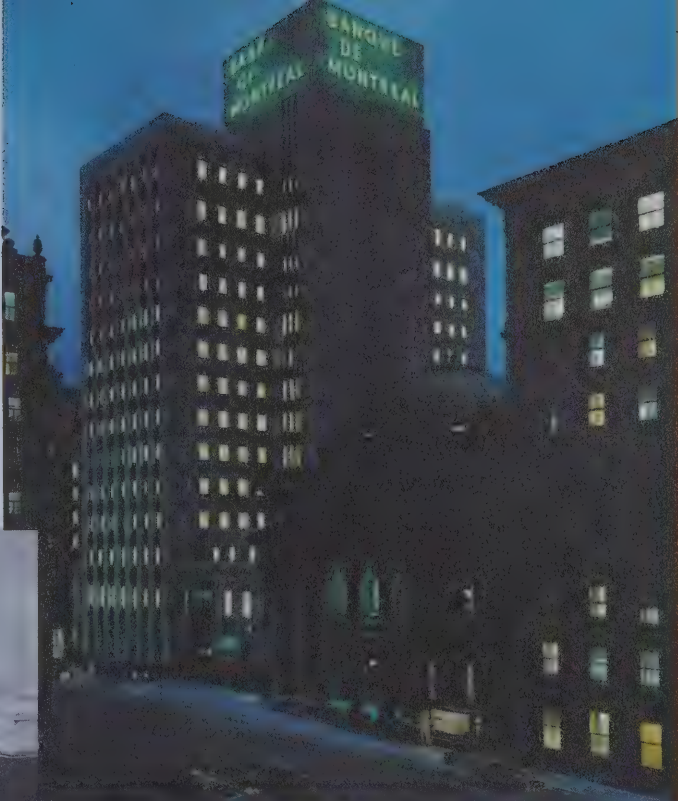
*Canada's First Bank
Marks Historic
Home-coming...*



The Prime Minister of Quebec, the Honourable Jean Lesage, P.C., shares a joke with the Bank's President, G. Arnold Hart, and General Manager, R. D. Mulholland, as he cuts the ribbon to mark the official opening of the new Head Office Building.



His Worship Jean Drapeau, Mayor of Montreal, signs the guest book in the President's office. Onlookers are the Honourable William Hamilton, Postmaster General of Canada, Premier Lesage and Mr. Hart.



Night falls, and the Bank's name in letters six feet high illuminates the downtown skyline.

On December 3rd, 1960, the Honourable Jean Lesage, P.C., Prime Minister of the Province of Quebec, snipped the ribbon across the entrance to the new Head Office building leading from the banking room of the Bank of Montreal's main branch in Montreal, thus symbolizing the passage from the old into the new.

Only a few short months after its founding on November 3rd, 1817, B of M directors bought two lots at the corner of St. James and St. Francois Xavier Streets in Montreal, on which to build the Bank's first head-office building and the first structure especially erected for a bank in Canada. The original head office served until 1848, when the Bank moved to larger quarters next door, the original facade of which still stands overlooking Place d'Armes.

Thus the return to its former site is an historic home-coming for Canada's First Bank in 1960.

Documents are whisked at 40 feet a second from one department to another by simply dialing a number.

"NEW" BANKING HISTORY MADE...

*Canada's First Bank
Incorporates many "Firsts"
in new Head Office*

Modern "wonders" in advanced technology have been utilized in the new air-conditioned building to speed business for both visitors and staff, and to make conditions more comfortable and pleasant for everyone working in or entering the Head Office.

From the high-speed automatic elevators that whisk workers to their jobs and visitors to their destinations in seconds, to the latest developments in telecommunications that speed more than a thousand messages daily through the Telegraph Department, the new Head Office is designed to provide greater efficiency in all departments.

Reproduced on this page are a few of the up-to-the-minute facilities that have been incorporated into the new Head Office to make it the most modern banking building in Canada.



Pipes beneath St. James Street plaza carry hot anti-freeze in winter to melt snow and ice immediately.



Cool comfort in summer is provided through several fan-rooms with a total cooling capacity equal to melting 740 tons of ice a day.



Warm comfort in winter is supplied by three boilers controlled from here. Each unit is capable of producing 16,000 lbs. of steam an hour.



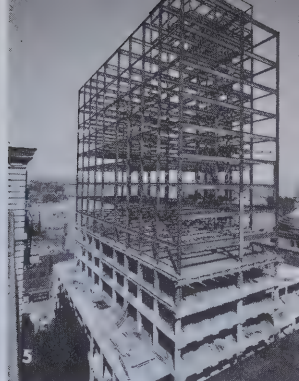
Centralized vacuum cleaner has hose connections in every office to draw dirt to "dust" tanks below ground.



Underground parking is provided for customers and tenants. Access to bank is by elevators which rise to all floors.



A MODERN BANK TAKES FORM...



Three years of construction and a million man-hours went into the building of the B of M's fully air-conditioned and fire-proofed Head Office.

Between March, 1958, when excavation began, and December 3rd, 1960, workmen removed some 39,000 cubic yards of earth and rubble, pushed 5,000 tons of steel upwards and poured 100,000 yards of concrete. They installed 14,000 lights, 750 telephones, 115 miles of wiring and 5,180 feet of tubing.

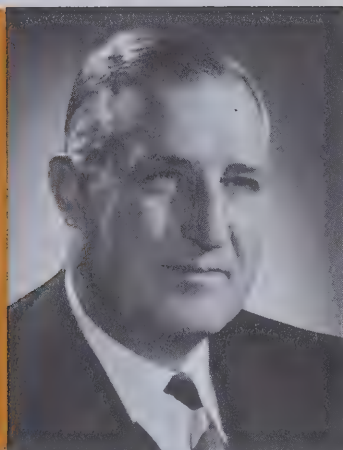


The finished building, rising 280 feet above Craig Street and 260 feet above St. James Street, contains about 250,000 square feet of floor-space, providing comfortable working accommodation for some 2,000 people.



1. November 1957 — The signs are up announcing that demolition of old Place d'Armes Post Office is about to begin.
2. November 1958 — Thick socks and rubber hip-boots were the fashion for workmen in the foundations.
3. March 1959 — Winter's last snow provides bleak background for steelwork rising above completed foundation.
4. June 1959 — It's time to "top" the steelwork, and cranes are readied to swing the last girder into place.
5. September 1959 — The steelwork is completed and pouring of concrete floors and encasing of girders advance rapidly.
6. December 1959 — The last cement forms are being removed, and the stonework begins to rise above nearby buildings.
7. July 1960 — With the stonework just about finished, hundreds of workmen inside rush to meet completion date.
8. October 1960 — The Bank's name is in place and it's only a matter of weeks before the first department moves in.





R. D. Mulholland

Reports Record Figures for Year with Assets, Deposits and Earnings Highest in Bank's History

Marked increases in assets, deposits and earnings to new year-end high levels were the outstanding features of the 143rd Annual Financial Statement presented to shareholders at the meeting by the General Manager, R. D. Mulholland.

After paying \$17,352,000 in income taxes, net profits were \$14,227,000, out of which shareholders are receiving \$12,148,000, on the basis of \$2.00 a share for the year, leaving \$2,078,569 to be added to the balance of undivided profits from 1959, bringing the total to \$3,150,859. From this \$2,000,000 were transferred to the Rest Account, leaving a balance of \$1,150,859 in Undivided Profits.

In a review of developments in the lending field during 1960, Mr. Mulholland said the Bank had continued its "consistent policy" of assisting agriculture, with Farm Improvement loans standing at the highest level in the B of M's history, both in number and amount. The General Manager also referred to the Federal Government's recent plan to provide government-guaranteed loans to small businessmen, pledging the Bank's support "to the fullest possible extent".

Pointing out that during recent months the Bank had been able to make money more readily available to personal borrowers under the Bank of Montreal Family Finance Plan, Mr. Mulholland stated, "We are convinced that these direct loans to individuals for a wide variety of useful purposes make a valuable contribution towards meeting the needs of thousands of Canadians who choose in this way to budget their larger short-term commitments in an economical manner".



The text of the General Manager's address follows:

General Manager's Address

Mr. Chairman, Ladies and Gentlemen:

The 143rd Annual Statement of the Bank, which I have the honour to present to you, records the operations of a year marked by notable progress in the use of the Bank's services and by a very satisfactory increase in revenues and net profits. This result has been attained despite the fact that, for most of the year, monetary conditions applicable to all the banks have not been conducive to any very significant overall expansion of Canadian banking assets.

Earnings

It will be noted from our Profit and Loss Statement that our net profits amounted to \$14,226,736 after depreciation of premises and equipment and transfers to inner reserves, and after setting aside \$17,352,044 for income taxes. An amount of \$12,148,167 out of net profits has been provided for regular and extra dividends, equivalent in total to \$2.00 per share compared with \$1.85 for the preceding year. In view of the fact that virtually all the additional share capital issued in 1959 was in existence for the whole of the past financial year, I trust you will find this showing satisfactory.

After provision for dividends, a balance of \$2,078,569 was carried to Undivided Profits, making a total in that account of \$3,150,859. A transfer of \$2,000,000 was made to Rest Account, leaving an amount of \$1,150,859 in Undivided Profits.

Revenue from loans increased substantially, due principally to higher average loans during the year and to a lesser extent to an increase in the average return received. Investment revenue declined, reflecting a reduction in average holdings, although the effects in this respect were offset in some degree by a somewhat higher average yield on our securities portfolio. Revenues from our various other services have shown a general increase.

On the cost side, the amount of interest paid on deposits has shown an appreciable increase owing to higher rates paid on a considerably greater amount of

deposits fixed for a term. Depreciation charges have continued to increase by reason of our construction programme and other operating costs are in higher figures.

General Statement

At October 31st total assets, domestic and foreign, stood at \$3,485,471,000, an increase of \$226,000,000 for the fiscal year. Totals of Canadian assets and liabilities have until recent months shown little change. This reflected the maintenance of the policy of the monetary authorities directed towards holding deposits of the Canadian banking system at a comparatively steady level.

A strong liquid ratio has traditionally been a characteristic of this Bank. Our position in this respect has been well maintained. Average daily holdings of Bank of Canada cash, day-to-day loans to the short-term money market and Government of Canada treasury bills have in each month throughout the past year exceeded 15% of deposit liabilities in Canadian dollars by an adequate margin.

Deposits

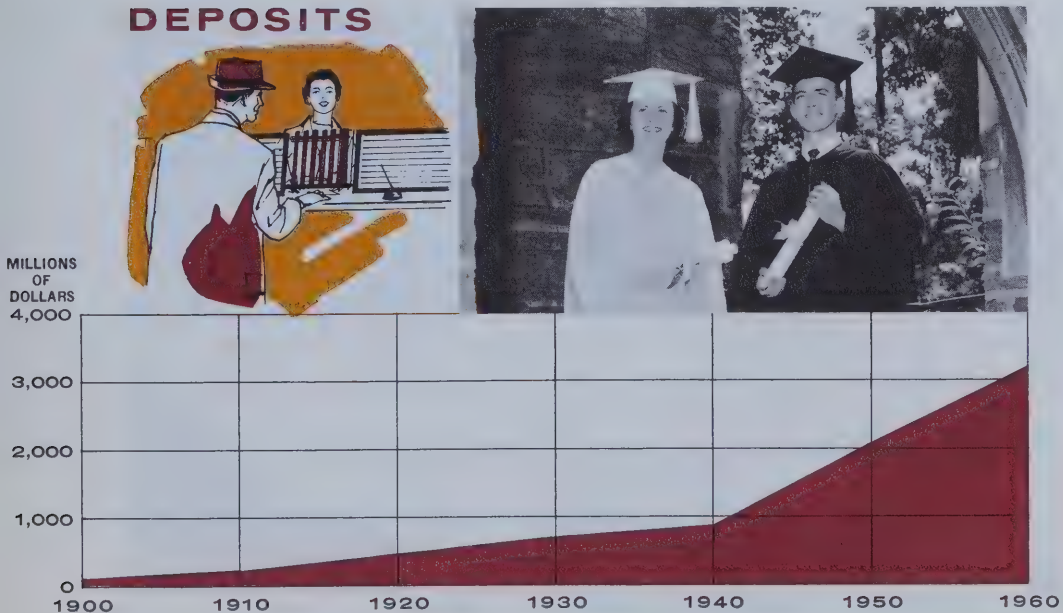
At October 31st our total deposits stood at \$3,200,000,000, an increase of \$202,000,000 for the year. This change represents a number of divergent trends, including an increase in personal savings deposits, a decline in Canadian public demand deposits and a strong upward movement in deposits in other currencies, which rose very substantially. There was an increase of \$44,000,000 in personal savings deposits, which rose to the impressive total of \$1,656,000,000, a year-end record figure in the history of the Bank. Deposits by Government of Canada increased by \$15,000,000 and deposits by Canadian provincial governments showed a reduction of \$18,000,000. Canadian public demand deposits declined somewhat, a not unexpected consequence of a slackening in the pace of business activity and the accompanying decline in loans.

Loans

At October 31st our total loans stood at \$1,773,000,000, unchanged from a year ago. Here again, this figure is the result of divergent trends. There was a decline in business loans in Canada notwithstanding some upturn towards the end of this year. To a considerable extent this decline reflects an abatement of the intense demand for bank credit which was so apparent throughout most of 1959. This year, less buoyant business conditions, accompanied by a tendency to reduce inventories, have had a perceptible effect on the demand for loans. In addition, more receptive conditions in the bond market have this year permitted the funding, by way of public issues, of a significant amount of indebtedness of a capital nature which, last year, was being temporarily financed by banking accommodation.

For the year as a whole, however, our average loans outstanding were in excess of the average for 1959.

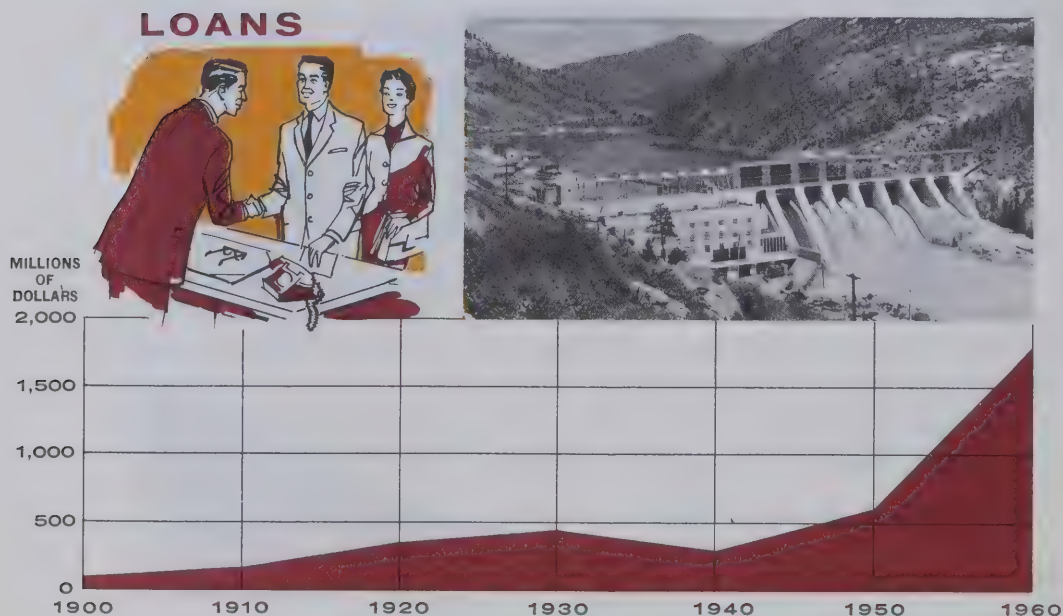
DEPOSITS



By reason of monetary conditions prevailing throughout the year, our mortgage lending under the National Housing Act has had to be confined, in the main, to fulfilment of previous commitments. On this basis, however, mortgage loans on our books have shown an increase of \$11,000,000 during the year and stood at \$238,000,000 at the year end. It may be of interest to mention that, since the inception of mortgage lending by the chartered banks under the National Housing Act, this Bank has handled approximately \$300,000,000 in such advances.

It has been our consistent policy to pay very careful attention to the financial needs of agriculture. Our loans to the grain trade have increased and our advances to farmers generally are higher than at the end of last year. Loans outstanding under the Farm Improvement Loans Act, both in number and amount, are in the highest figures in the Bank's history.

Legislation has very recently been introduced to provide, through the chartered banks, government-guaranteed loans to proprietors of small businesses. We have always maintained a close and constructive interest in the financial requirements of



the small business man and the small personal borrower. I have, therefore, no hesitation in stating that we shall co-operate in this new procedure to the fullest possible extent.

Our Family Finance Plan advances stand at gratifying levels and for some months we have been able to make money more readily available for this purpose. We are convinced that these direct loans to individuals for a wide variety of useful purposes make a valuable contribution towards meeting the needs of thousands of Canadians who choose in this way to budget their larger short-term commitments in an economical manner. The life insurance protection which is an automatic part of Family Finance Plan ensures that, in the event of the death of the borrower, repayment of a loan of this kind will not become a problem.

I might add at this point that loans under Family Finance Plan are an extension of a personal lending service which we have, in fact, been providing for many years.

Investments

During the past year our total investment portfolio increased by \$97,000,000 to the figure of \$983,000,000 at which it stood on October 31st. The increase in our holdings is predominantly in short-term direct obligations of the Government of Canada, particularly in treasury bills. The average term to maturity of our investments is now less than two and a half years.

Last year it was stated that a loss was accepted in connection with substantial sales of securities made in the course of providing loanable funds. This process had largely run its course by the end of the 1959 financial year and in 1960 losses due to such changes in our portfolio virtually ceased.

Bank Premises

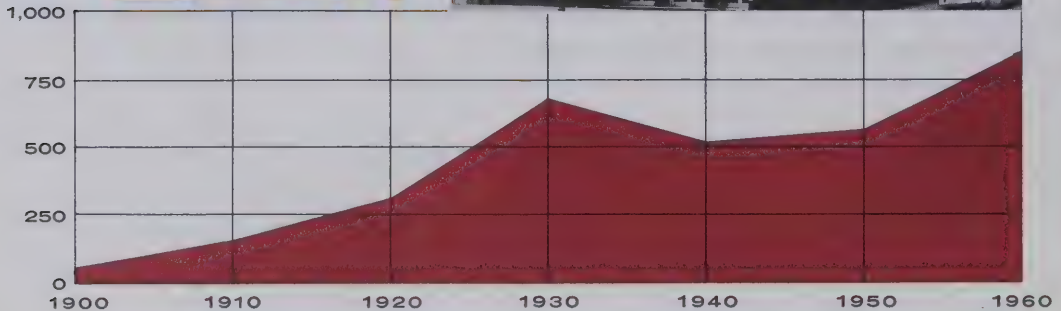
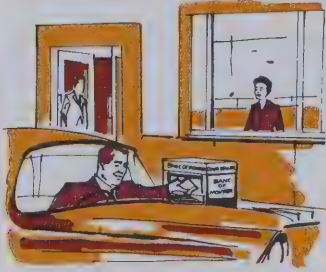
As at October 31st, 1960, our Bank Premises Account stood at \$55,661,000 after depreciation compared with \$47,010,000 at the close of the previous financial year.

The President has already referred to the new Head Office building, in which we are meeting today. We are proud of this handsome addition to St. James Street but, apart from that, the functional aspects of the building, the modern communication features, the contiguous arrangement of related departments and the pleasant working conditions for the staff cannot help but result in a more efficient operating unit.

Owing to certain unexpected delays, there is still some minor work to be done in various parts of the building. At a later date, however, we hope to provide you with an opportunity of inspecting the fully completed structure, of which we are justifiably proud as tangible evidence of your Bank's progress and of our confidence in the future.

We have continued to build new branch offices and to improve existing ones as required for the convenience of our customers. Wherever possible we are scheduling various projects throughout the country in such a way as to provide the maximum of winter employment for the building trades.

BRANCHES



In addition to the work of completing this Head Office building, there are numerous projects in various stages of development throughout the country. At the end of the year, more than 100 projects of construction or major renovation were under way. It will be seen that keeping the widespread network of branch offices of the Bank up to modern standards is almost a business in itself.

During the past year we opened 23 branches and 15 sub-agencies and closed 1 branch and 5 sub-agencies, with the result that at October 31st, 1960 we had 842 offices in operation in Canada and elsewhere, an increase of 32 offices for the year.

International Business

The volume of our international business continued at a high level during the year both at our Canadian branches and at our offices abroad.

In the past twelve months there has been an active foreign exchange market in Canada and, as in the previous year, the U.S. dollar showed substantial fluctuations in terms of the Canadian dollar, with quotations ranging from a low point of $5\frac{1}{16}\%$ discount in November 1959 to a high point of 1% discount in May last. Canadian financing in New York and other fluctuating capital imports contributed to this situation. More recently, foreign exchange markets have been particularly active and erratic due to speculation in gold.

It may be worth mentioning that many of our customers with an interest in foreign trade receive from us a periodic report entitled "Developments in the Foreign Exchange Markets" prepared by our Foreign Exchange Department and have found it useful in keeping in touch with the trend of affairs in these markets.

In London, England, our Waterloo Place Branch has obtained additional space adjacent to its present address and extensive renovations are now under way.

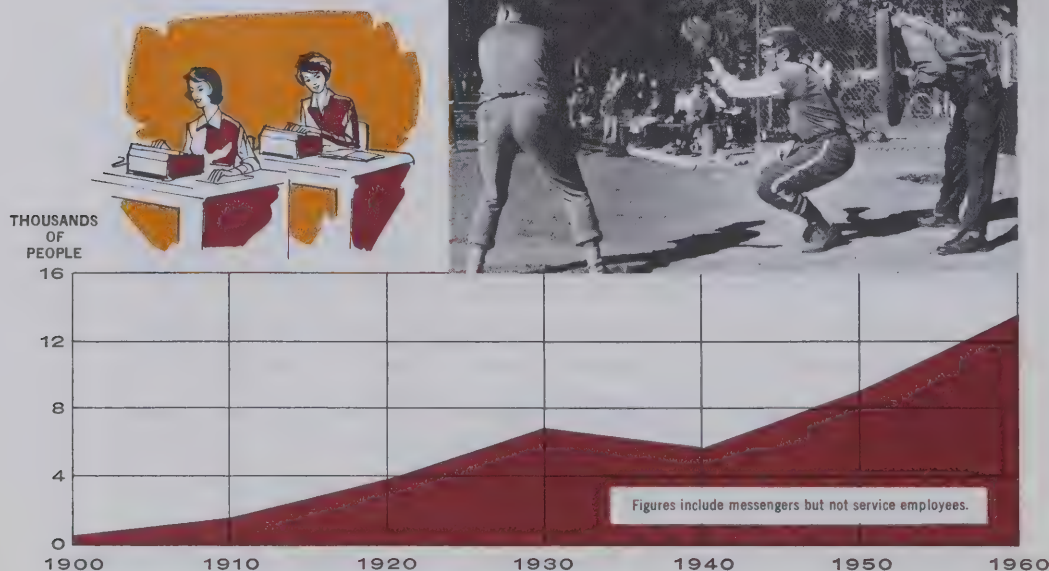
The progress of our affiliate, Bank of London and Montreal Limited, has been very satisfactory throughout the second year of its existence. It now operates 25 branches in the Caribbean islands and on the Latin-American mainland, compared with 14 offices at the commencement of operations about two years ago. Early this year the Head Office moved to "BOLAM House", its new premises in Nassau. The

Nassau Branch, which is quite separate from the administrative Head Office, is also housed in the same building. The first branch of BOLAM in Trinidad was opened at Port of Spain in July last and in November a second branch was opened in San Fernando. In Honduras a second branch was also opened at San Pedro Sula.

Canada Centennial Scholarships

During the past year we have given additional evidence of our constructive interest in education by instituting the "Bank of Montreal Canada Centennial Scholarships" under which fifty initial scholarships to pursue studies in Arts or Science are granted to students chosen by independent selection committees across Canada. In subsequent years the best of the students will receive additional scholarships. Finally, in 1967, to commemorate the centenary of Canada and also the 150th

STAFF



anniversary of the founding of your Bank, two fellowships worth \$5,000 each will be granted to those who are the most meritorious scholars.

We feel that those benefiting from the scholarships thus provided will make worthwhile contributions in the service of Canada.

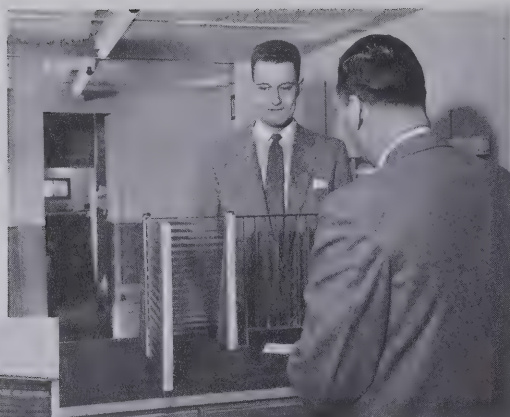
Staff

Since January, I have had the opportunity of visiting many of our branches in all ten provinces and our offices in San Francisco, Chicago and New York. I have met and talked with officers of the Bank, both senior and junior, and in branches large and small. It is always a rewarding experience to see the Bank in action in the field and, this year, I have been particularly impressed by the way in which our staff have carried the burdens which difficult monetary conditions and intense competition have placed upon them.

It is in circumstances such as these that the quality of a staff becomes unmistakably clear and I can assure you that the fine spirit which animates our men and women has been much in evidence during the year. I would like to convey to our staff our sincere thanks and appreciation for the great contribution they have made to the results now placed before you.

Conventional expressions of appreciation are always inadequate, but I would like to say also a word of special thanks to my executive associates at Head Office and divisional points for their unfailing support and for the manner in which they have borne with distinction so much of the stress of the past year.





A 70-mile haul from Winnipeg brought this B of M trailer branch to Lac du Bonnet, Man., site of a projected atomic power-plant.

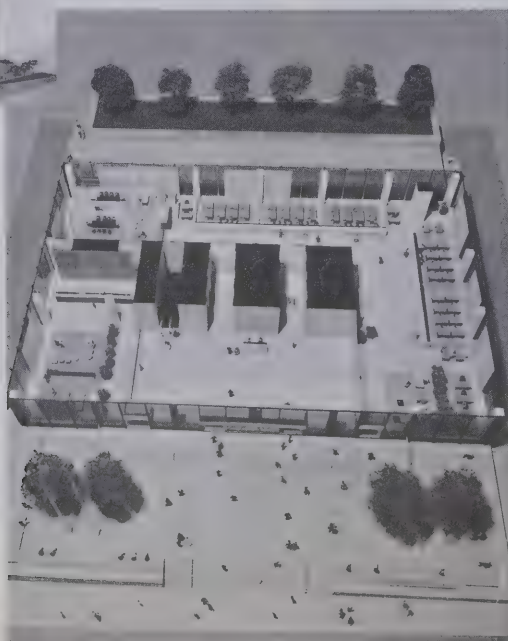


Students at the University of Manitoba make good use of B of M on-the-campus facilities inaugurated at the start of the fall semester.

From Sea to Sea...



The largest B of M branch in Montreal, outside of the Main Office, is planned for the 34-storey CIL House now under construction.



The B of M's King and Yonge Streets Branch, Toronto, occupies a strategic location in the "Queen City's" newest building.



Canada's First Bank Builds for the Future . . .

From coast to coast in Canada — in communities large and small — the B of M works constantly to enlarge, expand and improve its services to meet the needs of a growing country. Here is an array of projects — some under way, some just completed — that illustrates how Canada's first bank is building for the future to serve Canadians in all walks of life.



With an eye to the future growth of Watson Lake, Yukon, as an ore-producing centre and airline stop-over, the B of M opened the community's first bank in a temporary cabin.



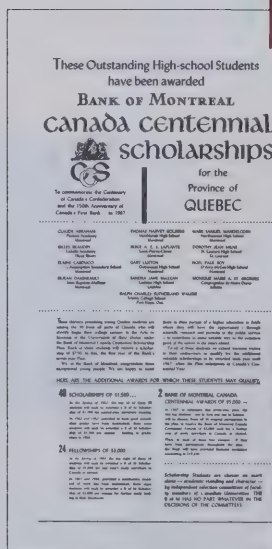
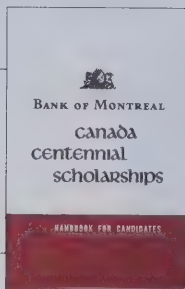
The latest branch in Newfoundland was opened last July in the Confederation Building — the Province's newest and finest building — housing Government administrative offices.



This striking, air-conditioned building, completed this year, brings the latest banking accommodation to Peterborough, Ont. The previous premises (inset),

erected on the same site in 1906, were torn down to make way for the new and larger building.





"...AN INVESTMENT IN THE COUNTRY'S FUTURE"

This quotation, from an editorial in the *Montreal Star*, is typical of the widespread comment on the Bank of Montreal Canada Centennial Scholarship Plan, which was announced earlier this year for the observance of Canada's Centennial and the 150th anniversary of the Bank in 1967.

Newspapers, business organizations and leading educational institutions hailed the Plan, which provides 50 top Canadian high-school graduates with first-year university training in the arts and sciences, and enables them to compete for awards over the next seven years ranging up to \$5,000. The programme, comprising 124 awards in all, will culminate in 1967 with the conferring of centennial fellowships on the top scientist and the top humanist from among all participants.



SCHOLARSHIP WINNERS attending the University of Toronto were guests of Toronto-based Assistant General Managers, John A. Hobson (second from left) and Willard T. Hodgins (extreme right), at a November luncheon when Dr. Claude T. Bissell (centre), U of T president, presented the 12 first-year students with certificates honouring their achievement.

Other Business of the Meeting

Following the addresses, the Chairman moved, seconded by Mr. R. G. Ivey, Q.C., that the Report of the Directors, as read, be adopted and that the Report, which includes the Statement of Undivided Profits, together with the Statement of Assets and Liabilities, be printed and distributed among the Shareholders. The motion was carried unanimously.

Mr. H. Roy Crabtree, moved, seconded by Mr. R. C. Berkinshaw, C.B.E., that Messrs. Campbell W. Leach, C.A., and C. Gordon Wallace, C.A., be appointed auditors of the Bank for the ensuing year, and that a ballot for the auditors be taken at the same time as the ballot for Directors is taken.

Mr. Hart said:

"Ladies and Gentlemen, I should like to mention that Col. George S. Currie approached me some time ago and asked that his name be not submitted for reappointment as shareholders' auditor, as he is curtailing his activities in his chosen profession. Mr. Currie is a national figure and has distinguished himself not only in his professional career, but also in the field of public service and his contribution to the welfare of the Bank, throughout his long association with us, has been outstanding. I am sure I am speaking on your behalf when I say how warmly we have appreciated Mr. Currie's services. We shall miss our frequent contacts with him. We are glad that his colleague, Mr. Campbell W. Leach, has agreed to succeed Mr. Currie, subject,

Adoption of Directors' Report

Appointment of Auditors

Appointment of Proxies for Controlled Companies

Amendment to Shareholders' By-Law No. IV

Amendment to Shareholders' By-Law No. VII

Enactment of new Shareholders' By-Law No. XII

Votes of Thanks—Election of Directors and
Officers

of course, to your approval. Thank you, Mr. Chairman."

The motion was carried.

Mr. H. C. F. Mockridge, Q.C., moved, seconded by Mr. H. G. Hilton, the resolutions appointing the necessary proxies for the Bank at meetings of controlled companies. These were unanimously adopted.

The Chairman then said that it was proposed to put before the meeting the names of 36 gentlemen for election as Directors and, since Shareholders' By-law No. IV provides that the number of Directors be 34, an amendment to this By-law will be necessary.

The Hon. Hartland deM. Molson, O.B.E., moved, seconded by Mr. David G. McConnell, the following amendment to Shareholders' By-law No. IV:

"That By-law No. IV of the By-laws enacted by the shareholders be and it is hereby repealed, and that the following by-law be and it is hereby enacted by the shareholders in substitution therefor:—

'IV. The number of the Directors and the quorum thereof shall be regulated as follows, namely:

(a) The number of the Directors shall be not less than 22 and not more than 36;

(b) Until and subject to the extent to which the provisions of clause (c) hereof shall become effective, the number of Directors shall be 36;

(c) From time to time, upon the passing of a resolution of the Board of Directors declaring that it is expedient that this clause

(c) should take effect to the extent of so many additional Directors as the resolution may specify, the number of the Board shall be and it is hereby increased by the number so specified, and the vacancy or vacancies in the Board thereby created may be filled in accordance with the provisions of By-law No. V of the By-laws enacted by the Shareholders, provided that in no event shall the total number of the Directors exceed 36;

(d) Three of the Directors shall constitute a quorum.”

Senator Molson further moved that pursuant to the Bank Act, a ballot be taken forthwith.

The ballot was then taken on the amendments to Shareholders' By-law No. IV and the scrutineers reported the amendments were adopted.

Mr. F. W. Collins moved, seconded by Brig. K. G. Blackader, C.B.E.:

“Resolved that By-law No. VII of the By-laws enacted by the Shareholders of the Bank be and it is hereby amended by striking therefrom the words ‘One hundred and twenty-five thousand’ and substituting therefor the words ‘One hundred and sixty thousand’.

“And that a ballot be taken upon this motion at the same time as the ballot for the election of Directors.”

Mr. D. R. McMaster, Q.C., moved, seconded by Mr. George W. Bourke, that the following be enacted as Shareholders' By-law No. XII:

“Subject to the approval of this By-law by the Treasury Board, as required by the Bank Act, the authorized capital stock of the Bank is hereby increased from Seventy-five Million Dollars (\$75,000,000) divided into Seven Million Five Hundred Thousand (7,500,000) shares of the par value of Ten Dollars (\$10) each, to One Hundred Million Dollars (\$100,000,000), divided into Ten Million (10,000,000) shares of the par value of Ten Dollars (\$10) each.

“And that a ballot be taken upon this motion at the same time as the ballot for the election of Directors.”

Col. Garnet Strong moved, seconded by Mr. Trevor D. Ross, that “the thanks of the Meeting are hereby tendered to the President and Directors for their attention to the interests of the Bank”.

Speaking to the motion, Col. Strong said:

“It is my privilege at this time to continue a tradition which has become firmly established over the years at these Annual Meetings. However, in asking you to adopt a resolution of thanks to the President and Directors for their devotion to the interests of the Bank in the year just ended, may I say that I regard this annual vote as something much more significant than a routine acknowledgment. For year by year, as new problems arise in the operation of this vast organization, and as the volume and importance of the matters before the President and the Directors steadily increase, so the measure of the leadership and direction they give becomes that much greater a responsibility, calling always for increasing effort and increasing skill.

“For these reasons, then, to the President and Directors collectively as a harmonious team, and to the President and Directors separately as a group of devoted individuals — on both counts — I believe we owe an especially warm and sincere ‘thank you.’

“In these unsettled days of change, of uncertain economic conditions and of intensive competition, I believe the highest credit is due to those gentlemen who compose our Board, that under their direction, this institution has attained such high levels in all areas of its operations and has been able to continue to play its part so satisfactorily in the affairs of Canada and of Canadians.

“For these reasons, it is my sincere personal pleasure to move that this resolution be adopted.”

Mr. Ross said:

“I am sure that the fine and well-deserved tribute which Colonel Strong has just paid to the President and Directors reflects the sentiments of those present at this Meeting.

"May I also add that the shareholders everywhere do indeed recognize and take great pride in the strong, well-balanced Management team that conducts its affairs.

"Therefore, Sir, it is both a privilege and a pleasure for me to second the resolution of thanks to the President and Directors for their outstanding efforts on our behalf."

The motion was carried with applause.

Mr. Hart, responding, said:

"Mr. Chairman, Ladies and Gentlemen:

Your very warm reception of the resolution proposed by Col. Strong and seconded by Mr. Ross is, I am sure, as gratifying to the other members of the Board as it is to me personally and I wish to thank Col. Strong and Mr. Ross for their generous references to our services. Your Directors are men who have attained pre-eminence in the field of their respective endeavours and are leaders in the business life of the country, and I assure you that their attention to, and interest in, the affairs of the Bank is very real. If I may be permitted to do so I should like to add a personal note and acknowledge gratefully the loyal support I have received from the Directors during the past year.

On behalf of the whole Board, again please accept my very best thanks."

Mr. Harold S. Foley moved, seconded by Mr. Ralph B. Brennan, that "the thanks of the Meeting are hereby tendered to the General Manager, the Deputy General Manager, the Assistant General Managers and other members of the staff for their services during the past year".

Speaking to the motion, Mr. Foley said:

"The words of this motion are traditional. They were written some long time ago. I expect the man who wrote them was warned that in thanking the Bank's employees, he must not thank them too warmly. It might make them complacent.

"So he sought the best balance he could find between austerity on the one hand and sentimentality on the other.

"I don't think his words are really adequate today without some further remarks

on the subject. I think the Bank of Montreal has a staff of outstanding calibre. If it were not so, the progress of the last few years could not have been made. Banking is probably more dependent than any other enterprise on the performance of the men and women engaging in it. It makes a unique contribution to our society because success comes only from exercising those qualities of human nature that we most need: courtesy, kindness, integrity, efficiency and good judgment.

"These are qualities that I have found at every point of my association with the Bank of Montreal. It is only because of these qualities that the Bank of Montreal has been winning new customers, making more friends and making record gains such as we have heard today.

"Much credit is due to Mr. Mulholland, his Deputy — Mr. Jackson, and the Assistant General Managers for building up such a fine staff and for giving them skilled direction and the wise guidance they obviously have had.

"Mr. Mulholland is an exceptional man. Not only does he have impressive wisdom and great breadth of imagination, but he developed such talents despite the handicap that only four of his 37 years with the Bank of Montreal were spent in British Columbia. It is greatly to his credit that he has done so well.

"The Bank of Montreal was Canada's first chartered bank. With the leadership it has today and the esprit de corps of its staff, it will soon become Canada's largest. It has always been the best.

"All members of the staff must feel proud of such a trend. I am sure that every Shareholder joins me in thanking them most warmly for what they have achieved and for what they will achieve."

Mr. Brennan said:

"Mr. Chairman, it is indeed a privilege to be associated with this motion of appreciation to our General Manager and his staff for a job well done.

"The only commodity the Bank has to sell is Service—which to our customers and

friends means efficiency, courtesy and cooperation in all transactions, large and small — and has, over the years, distinguished MY BANK as a good place to do business.

"I am sure this important customer attitude on the part of our officers and their staff has contributed in no small measure to last year's satisfactory results.

"I have pleasure, Mr. Chairman, in seconding this resolution conveying our thanks to the General Manager, the Assistant General Managers, and their staff for their service during this past year."

The motion carried with applause.

Mr. Mulholland, responding, said:

"Mr. Chairman: I am sure that I speak for all of my colleagues and fellow workers when I thank you most sincerely for this resolution and particularly for the very generous terms in which it was moved by Mr. Foley and seconded by Mr. Brennan. I am most grateful to Mr. Foley for his kind personal references.

"In my earlier remarks, I referred to the great contribution made by the staff during the past year and I know that this expression of the esteem and confidence of our directors and shareholders will be deeply appreciated by every member of the staff."

The Chairman then said:

"The remaining business before the Meeting is the balloting for the appointment of auditors, for the amendment to By-law No. VII, for the enactment of the new By-law No. XII, and for the election of Directors for the ensuing year. The ballot is now open for these purposes and I will ask the Secretary to read the names of those proposed for election as Directors."

The Secretary then read to the Meeting the list of proposed Directors as follows:

W. A. Arbuckle; R. C. Berkinshaw, C.B.E.; Paul Bienvenu; Henry G. Birks; George W. Bourke; Ralph B. Brennan; H. Roy Crabtree; N. R. Crump; T. W. Eadie; Harold S. Foley; G. Blair Gordon; G. Arnold Hart; H. G. Hilton; The Right Honourable C. D. Howe, P.C.; Sir Nut-

combe Hume, K.B.E., M.C.; R. G. Ivey, Q.C.; A. C. Jensen; Robert A. Laidlaw; A. Searle Leach; J. A. MacAulay, Q.C.; David G. McConnell; D. R. McMaster, Q.C.; H. C. F. Mockridge, Q.C.; The Honourable Hartland deM. Molson, O.B.E.; Kenneth J. Morrison, O.B.E., F.C.A.; R. D. Mulholland; J. Pembroke, C.B.E.; J. V. R. Porteous; R. E. Powell; Lucien G. Rolland; G. H. Sheppard; H. Greville Smith, C.B.E.; R. E. Staver; Noah A. Timmins, Jr.; Colonel The Honourable Clarence Wallace, C.B.E.; Henry S. Wingate.

Mr. J. Masson nominated the gentlemen whose names had been read by the Secretary for election as Directors of the Bank for the ensuing year.

The ballot for the appointment of auditors, for the amendment of By-law No. VII, for the enactment of By-law No. XII, and for the election of Directors was then proceeded with.

The scrutineers appointed for the purpose reported that Messrs. Campbell W. Leach, C.A., and C. Gordon Wallace, C.A., were duly appointed auditors; that the amendment to By-law No. VII had been adopted; that By-law No. XII had been duly enacted; and that the gentlemen named in the list read by the Secretary and nominated by Mr. Masson had been elected Directors.

Mr. A. J. Livinson made a number of suggestions including provision for commemoration of the architects and builders of the new head office building. He also suggested the bank explore the possibilities of supporting proposals for measures to bring an end to labour-management disputes.

The meeting then terminated.

At a subsequent meeting, the Board of Directors re-elected A. C. Jensen, Chairman of the Board, G. Arnold Hart, President, J. A. MacAulay, Q.C., and R. G. Ivey, Q.C., Vice-Presidents; and elected H. S. Foley and R. D. Mulholland as Vice-Presidents.



BANK OF MONTREAL

FOUNDED IN 1817

Officers

CHAIRMAN OF THE BOARD

ARTHUR C. JENSEN

PRESIDENT AND CHIEF EXECUTIVE OFFICER

G. ARNOLD HART

VICE-PRESIDENT AND GENERAL MANAGER

R. D. MULHOLLAND

DEPUTY GENERAL MANAGER

J. M. JACKSON

ASSISTANT GENERAL MANAGERS

J. H. F. TURNER, O.B.E.	W. T. G. HACKETT	R. SMILLIE	E. R. ERNST	A. J. ELLIS
J. A. HOBSON (<i>Resident Toronto</i>)	W. H. COLLIE	J. L. WALKER (<i>Resident Vancouver</i>)		
T. D. LEWIS	W. T. HODGINS (<i>Resident Toronto</i>)	A. J. N. FOSS	W. A. HOTSON	
	D. W. CASEY (<i>Resident Winnipeg</i>)			

Assistant to the General Manager, J. V. WALTERS,

Secretary
C. W. HARRIS

Chief Accountant
R. H. FRY

Chief Inspector
F. S. HARRISON

SUPERINTENDENTS

BRITISH COLUMBIA DISTRICT	L. E. TRITSCHLER, <i>Vancouver</i>
ALBERTA DISTRICT	W. C. MORLEY, <i>Calgary</i>
MANITOBA AND SASKATCHEWAN DISTRICT	F. S. SHARPE, <i>Winnipeg</i>
WESTERN DIVISION — HEAD OFFICE	R. L. SHEARD, <i>Montreal</i>
ONTARIO DIVISION — TORONTO	J. C. BROWN, <i>Toronto</i>
ONTARIO DIVISION — TORONTO	C. E. GRIESDALE, <i>Toronto</i>
ONTARIO DIVISION — HEAD OFFICE	W. E. OHBERG, <i>Montreal</i>
EASTERN DIVISION — HEAD OFFICE	M. WINDOW, <i>Montreal</i>
QUEBEC DISTRICT	J. E. V. L. GELLY, <i>Montreal</i>
MONTREAL DISTRICT	A. S. C. BLACK, <i>Montreal</i>
ATLANTIC PROVINCES DISTRICT	D. B. PETERS, <i>Halifax</i>
STAFF	F. M. BRADY
INTERNATIONAL DEPARTMENT	E. J. PULTON
INTERNATIONAL DEPARTMENT	D. R. MCCALLUM
SECURITIES DEPARTMENT	W. D. SMALL
BUSINESS DEVELOPMENT DEPARTMENT	R. J. ALLEN

Economic Adviser
E. A. WALTON

Supervisor, Shareholder Services
R. L. SMITH

The Bank's Organization

844 offices in Canada, the United States, United Kingdom and Europe

IN Canada

ALBERTA	90	NEWFOUNDLAND	19	QUEBEC	156
BRITISH COLUMBIA . .	119	NOVA SCOTIA	25	SASKATCHEWAN	51
MANITOBA	44	ONTARIO	302	YUKON	4
NEW BRUNSWICK . . .	17	PRINCE EDWARD ISLAND	2	NORTHWEST TERRITORIES	1

OUTSIDE Canada

GREAT BRITAIN

LONDON—Main Office, 47 Threadneedle Street, London, E.C.2: E. A. ROYCE, <i>Manager</i> , D. H. MANSFIELD, <i>Deputy</i> , C. H. REDMAN, R. M. COLLIER, <i>Assistants</i>	West End Office, 9 Waterloo Place, London, S.W.1: E. J. BENSON, <i>Manager</i> D. W. YUILL, <i>Assistant</i>
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UNITED STATES

NEW YORK, N.Y.—Agency—Bank of Montreal, Two Wall Street, New York 5: G. V. ADAMS, J. C. H. KENNER, N. KJELSDEN, J. JUBB, *Agents*, W. J. WILSON, T. P. GRIMES, W. F. HUDKINS, *Assistant Agents*
Bank of Montreal Trust Company, Two Wall Street, New York 5: G. V. ADAMS, *President*, J. C. H. KENNER, C. E. NEUEBAUMER, *Vice-Presidents*, G. M. G. JOHNSTONE, *Secretary*, R. A. POHJOLA, *Treasurer & Assistant Secretary*

SAN FRANCISCO, CALIF.

Bank of Montreal (San Francisco),
333 California Street, San Francisco 4:
C. R. M. ALLAN, *President*
F. R. SOUTHEE, *Vice-President*

CHICAGO, ILL.

Resident Representative's Office, Suite 2700, Board
of Trade Bldg., 141 West Jackson Boulevard,
Chicago 4: H. B. FRANCIS, T. A. O'DONNELL,
Resident Representatives

EUROPE

PARIS—European Representative's Office, No. 10, Place Vendôme, Paris, 1er: G. F. BOE, *European Representative*
J. O. F. LAMOUREUX, *Assistant European Representative*, J. J. J. PICARD, *Special Representative*

Offices for Armed Services at Marville, Grostenquin and Metz, in France,
and at Baden Soellingen, Zweibrücken, Soest, Hemer and Werl in Germany.

CARIBBEAN AREA

Affiliate: BANK OF LONDON & MONTREAL, LIMITED

Head Office: Nassau, Bahamas

(Owned jointly by the Bank of Montreal and the Bank of London & South America Limited)

THE BAHAMAS Nassau	ECUADOR Guayaquil Quito Quito, Northern (<i>Agency</i>)	GUATEMALA Guatemala City Guatemala City, Plazuela Once de Marzo (<i>Agency</i>) Puerto Barrios	VENEZUELA Caracas Caracas, Avenida Francisco Miranda (<i>Agency</i>)
COLOMBIA Bogota Bogota, Calle 13 (<i>Agency</i>) Bogota, Parkway— La Soledad (<i>Agency</i>) Barranquilla Cali Medellin	EL SALVADOR San Salvador San Salvador, Escalon (<i>Agency</i>) San Miguel (<i>Agency</i>) Santa Ana (<i>Agency</i>)	HONDURAS Tegucigalpa San Pedro Sula NICARAGUA Managua	THE WEST INDIES <i>Jamaica:</i> Kingston †Kingston, Constant Spring <i>Trinidad:</i> Port-of-Spain San Fernando

†Scheduled to open in 1961.

INTERNATIONAL DEPARTMENT HEAD OFFICE, MONTREAL



Canada's First Bank Abroad...

Keeping pace with the rapid growth of B of M branches at home has been the expansion of Canada's First Bank abroad. In addition to its two long-established branches in London, Eng., the B of M opened a European Representative's Office in Paris, France, five years ago. This was followed by the inauguration in rapid succession of eight offices in France and Germany to serve Canada's NATO forces in these two countries. In 1958, the Bank extended its facilities to the Caribbean area when it joined forces with the Bank of London & South America Ltd., to form the Bank of London & Montreal with Head Office in Nassau, Bahamas. In two years the organization of the new Bank — BOLAM — has grown to no less than 25 offices in the Bahamas, the West Indies and Latin America, with a 26th office scheduled to open in 1960. Through these expanding facilities abroad, through its offices in New York, Chicago and San Francisco, and through its banking correspondents outside Canada, the B of M's international organization reaches out to every civilized part of the world.

Bank Abroad

BANK OF MONTREAL

in GREAT BRITAIN AND EUROPE



